

Equities failed to break key technical levels to the downside in September, macro data continues to improve, efforts to pass a further stimulus bill in the US are ongoing, corporate commentary remains very positive and earnings forecasts continue to inflect upwards. Despite the short-term uncertainties ahead with the US election and Brexit, equity markets will continue to look to the combination of zero rates and fiscal expansion which will continue to drive investment into the industries that will dominate the next decade.

As we enter the final quarter of a difficult year therefore, all the ingredients are there for the equity markets to produce strong returns over the next few years for investors. Rates will remain at zero and fiscal stimulus across the globe continues (regardless of the outcome of the US election). The market leaders of the last few years at the forefront of both this and the next leg in industrial and technological change have seen their outlook improved as a result of Covid-19. Ambitious carbon neutral targets by Europe are becoming the norm and will see the need for large scale investments across the global industrial supply chain. The more cyclical sectors of the market which have suffered this year are at attractive valuations, just as the global economic cycle picks up.

Merrion Investment Managers has a tried and trusted investment process with a proven track record that enables us to both exploit the opportunities and navigate the risks that lie ahead. This process has allowed us to not let the current domestic difficulties overshadow or distract us from the exciting global opportunities out there for us to invest in.

WARNING: Past performance is not a reliable guide to future performance. The value of your investment may go down as well as up. Merrion Capital Investment Managers Limited (trading as Merrion Investment Managers) is regulated by the Central Bank of Ireland. Cantor Fitzgerald Ireland Ltd is regulated by the Central Bank of Ireland and is a Member Firm of The Irish Stock Exchange and The London Stock Exchange.